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FOREIGN SERVICE DESPATCH

FROM AMEMBASSY GUATEMALA 57
DESP. NO.

TO DECLASSIFICATION DATE 11/22/76 F790005-0848
THE DEPARTMENT OF STATE, WASHINGTON,

PER OFFICE ARA

FARRC FOI CASE NO. 140259 Action Assigned to July 23, 1954
DATE

Action taken JUL 24 1954

DC/R Central Files

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	OAI-10	INFO DC/R-2 ARA-2 ARA-2-451A-8 UNA-2
	REC'D 7/26	INFO OTHER ARMY-35 NAVY-3 AIR-2 CIA-15 OSD-2

Date of Action 2-22-54 (HJ)

SUBJECT: Joint Weeka No. 29

Office Symbol & Officer Initials OCR

SUMMARY

This week, Colonel Carlos CASTILLO Armas and his government continued the reorganization of the public administration and the armed forces, but an atmosphere of confusion, friction and sometimes of ineptitude prevailed in many areas. The Government finally issued a decree on the 20th establishing an intelligence unit called the "Committee of National Defense Against Communism" with power to order the arrest of Communists, but none of the unaccounted for Communist leaders were rounded up. Another decree deprived public employees of their right to severence pay as a means of facilitating the purge of the government services of Communist-line elements but many new officials said frankly they had no idea who should be fired. Job hunters swarmed through government offices to such an extent that the Ministry of Finance, with 1500 employees, had 4000 applicants.

The reorganization of the labor movement also got off to an uneven start. The anti-Communist labor leader, Rubén VILLAGRÁN, set up a "National Committee for Union Reorganization" with the help of Serafino Romualdi of the AFofL and Lee Benedict of the CIO. However, no sooner had this started than José [illegible] Bauer, a former radical Catholic labor judge, set up a rival "Social Christian" labor organization which sought to align itself closely with the Church but which contained elements tainted by willing collaboration with the former Communist labor leadership.

In the reorganization of the armed forces, the government reversed its policy on the treatment of key non-Communist officers who had nonetheless stayed loyal to Arbenz to the last. After announcing the designation of several of these to posts as Military Attachés abroad, it was decided not to go through with the appointments but simply to exile them.

DOMESTIC

De-Communization Program: Taking action on a decision it made a fortnight ago, the Junta on July 20 issued a decree establishing a "Committee of National Defense Against Communism." This organization appeared to be

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the intelligence agency Colonel Castillo Armas intended to be the center of information on Communism and the decree authorized it to order the police to make arrests. The scope of the Committee's activities however, remains vague. It is to consist of three members and two alternates, but appointments to these positions are still being kept confidential, and even high members of the government do not know who they are.

Despite the establishment of this Committee, no important arrests have resulted. The week's activity in the de-Communization program consisted principally of the screening of the announced 4000 persons, mostly campesinos, who had been jailed. This has become a matter of urgency since the overcrowded jails (the Guardia Civil headquarters built for 250 contains 700) are threatened with an outbreak of disease, which might result in serious embarrassment to the regime. During the week, a group of 116 campesinos were released after being found guiltless of Communist activities and being personally admonished by Col. Castillo Armas to go home to work and to say out of politics of any kind.

On July 20, the official gazette also published a decree signed on the 13th depriving public employees of severance pay and the right to reinstatement if dismissed between June 27 and December 27, 1954. The decree is intended to facilitate the purge of Communists and pro-Communists in the public service by lifting the financial burden attendant on their dismissal from the shoulders of the depleted treasury. However, the government has yet to develop a systematic security program for its employees. In some agencies, such as the National Agrarian Department and the General Hospital, there have been wholesale dismissals with the inevitable outcries while in others the new ranking officials frankly do not know whom to fire.

Policy towards Asylees: Foreign Ministry data reveal that the number of persons who took refuge in Latin American diplomatic missions at the time of the fall of the Arbenz government totalled 770. The Ministry has granted safe-conducts for the wife and children of former Foreign Minister Guillermo TORIELLO and a few other cases, but has not yet evolved a firm policy as to what its position will be in cases in which criminal activity cannot be proved or in cases where the host mission refuses to hand over persons whom the government considers criminals.

Continued Friction Among Anti-Communist Groups: Behind the scenes, friction between the various anti-Communist elements still hempered orderly government. Persons associated with the Partido Unificación Anticomunista (PUA), composed largely of middle-aged professional and landowning elements, complained of the positions given to members of the Comité de Estudiantes Universitarios Anti-comunistas (CEUA), whom they characterized as being anonymous and sometimes of having radical connections. Both this older and younger

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group continued to express distrust of Colonel Elfego MONZON. On the other hand, persons associated with the old Liberal Party showed distrust of the backers of Castillo Armas and reposed their confidence in Monzón.

Church Continues in the Forefront: The prominence of Roman Catholic Church on the political scene was again underscored during the week by a visit made on July 17 by Castillo Armas to Msgr. Mariano ROSSELL Arellano, the Archbishop, at the latter's Palace to congratulate him on the occasion of his sixtieth birthday. It was the first time, according to the press, since the Liberal Revolution of 1870 that a Guatemalan Chief of State had visited the Archbishop at his Palace. On the following day, several thousand people paid tribute to the Archbishop in front of the National Palace and received his blessing.

LABOR

First Steps Towards Reorganization of Labor Movement: During the week, the first concrete steps were taken towards the reconstruction of the Guatemalan labor movement, which had been thrown into utter disorganization by the flight of the Communist leaders who dominated it under the Arbenz regime. Under the guidance of Romualdi and Benedict who came to Guatemala especially for the purpose, Ruben Villatoro, former President of the anti-Communist Unión de Trabajadores Libres established a "National Committee for Union Reorganization" in which he included selected labor leaders whom he judged were completely free of the taint of collaboration with the Communists. The government promised a decree which would cancel the registration of the old union leaderships and call for new elections within three months, and Villatoro, Romualdi and Benedict had hoped the new Committee would be recognized in the decree as the agency to represent labor in the interim. The decree, however, has not yet been published.

Meanwhile, a rival labor organization of a strong Roman Catholic bent was started by José García Bauer, a former labor judge whose fanatic devotion to the Church is mixed with a history of radicalism and narrow nationalism and an erratic temperament. He turned to those labor leaders who had not gone into asylum, many of whom were compromised with the former Communist labor leadership, and persuaded them to set up rump Executive Committees of the existing unions and to affiliate them with an organization he designated as the Federación Autónoma de Sindicatos Libres "Nuevo Mundo" and which he described as "Social Christian." In this manner, he was able to claim the affiliation of 23 unions, including the important railroad union STFF. Whether he can maintain these affiliations remains to be seen, but there is little doubt that the establishment of contending secular and Catholic unions has seriously complicated the task of union reorganization.

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MILITARY

F790005-0851

Air Force Headed by Officer Who Tried to Join Castillo's Rebellion: Colonel Luis URRUTIA, the officer who tried to take off to join Castillo Armas' forces during the rebellion but was stopped when a rebel plane strafed his plane, was appointed Chief of the Air Force on July 18. To replace him as President of the government airline, the government appointed Colonel Rodolfo MENDOZA, Chief of Castillo Armas' rebel air force. With the latter appointment the Mendoza brothers filled another important position in the new regime: Miguel Mendoza had already been named Chief of the Guardia Civil and Oscar Mendoza, Chief of Staff of the Army.

[illegible] Officers Under Arbenz to be Exiled: Reversing the decision to name several key officers under Arbenz to military attaché posts abroad (Weeka 28), the Junta has decided that it would be better if such officers went into temporary exile abroad. Colonel José Ángel [illegible], former Minister of Defense, Colonel Juan José SERRA, the former Undersecretary of Defense, and Colonel Juan BOLAÑOS, the former Chief of Staff left for the United States. There were press reports of intention to send other officers, including Colonel José BARRAMEDA, former Commander of the "Guardia de Honor," to Costa Rica but visas for that country have not been forthcoming.

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F790005-0856

local press, and El Imparcial has published an attack on Villatoro while El Espectador and Oscar Conde's "Radio Sucessos" have carried sharp attacks on the role of United States labor leaders in the reorganization of Guatemala's labor movement.

MILITARY

Financial Reward Tendered Army of Liberation: A group of patriotic citizens, primarily wealthy landowners, paid homage to the Liberation Forces of Castillo Armas by donating a sum of $30,115 for distribution among the troops. This is reported to be the first in a series of such voluntary contributions.

No More "Military Merchants": In unequivocable language Castillo Armas, President of the Junta, made his intention clear to end an age-old military custom of supplementing Government salaries through commercial pursuits. He declared that such activities were incompatible with the honesty and integrity of military positions and that henceforth such practices would not be permitted.

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